



C A L I F O R N I A S T A T E
PUBLIC WORKS BOARD

GRAY DAVIS, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD

July 11, 2003

MINUTES

PRESENT:

Ms. Shelley Mateo, Program Budget Manager, Department of Finance
Mr. Bob Garcia, Chief Financial Officer, Department of Transportation
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office
Mr. Francisco Lujano, Director, Securities Management Division, State Treasurer's Office

ABSENT:

Mr. Cy Rickards, Deputy Director, Legal affairs, Department of General Services

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member Darrell Steinberg
Assembly Member Wilma Chan
Assembly Member Fabian Nunez
Senator Betty Karnette
Senator Wesley Chesbro
Senator Gilbert Cedillo

STAFF PRESENT:

James Tilton, Administrative Secretary, State Public Works Board
Kathryn Amann, Assistant Administrative Secretary, State Public Works Board
Tamara Moss, Secretary, State Public Works Board
Debbie Dills, Budget Analyst, Department of Finance
Jim Martone, Budget Analyst, Department of Finance
Nathan Brady, Budget Analyst, Department of Finance

OTHERS PRESENT:

Gerry Clark, Department of General Services-RESO
Irene Anderson, Department of General Services-RESO
Rick Stolz, Department of Parks and Recreation
Cindy Spita, Department of Parks and Recreation
Sabrina Winn, Department of General Services-RESO
Warren Westrup, Department of Parks and Recreation
John Schwander, Department of Corrections
Chris Vance, State Treasurer's Office
Chris Kooyman, State Treasurer's Office
Peg Hudson, Department of General Services-RESO
Jerry Leong, Department of General Services-RESO
Peggy Zentner, Department of Parks and Recreation
Susan Hancock, Department of Corrections
Dale Clevenger, California Community Colleges

Aaron Todd, State Treasurer's Office
Aaron Aleary, State Treasurer's Office
Mike Miller, Department of Corrections

CALL TO ORDER AND ROLL CALL:

Ms. Mateo, Chairperson, Program Budget Manager, Department of Finance at 10:07 am called the meeting to order. Mr. Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES

Mr. Tilton reported that staff has reviewed the minutes from June 13, 2003 meeting and believe them to accurately represent the actions of the Board and recommended approval.

Hearing no objections, the minutes from the June 13, 2003 meeting were unanimously approved.

BOND ISSUES:

Mr. Tilton reported that there were four bond items. We are pulling Item #2, Department of Forestry and Fire Protection, Hemet-Ryan Air Attack Base, Replace Facility and Item #4, California Community Colleges, Rancho Santiago Community College District, Santiago Canyon College, Learning Resource Center to allow more time to resolve due diligence issues.

Item #1, Department of General Services, Capitol Area West end Complex, Office Buildings and Parking Garage. This item will authorize the use of interim financing and the sale of lease revenue bonds. The Department will be requesting a Pooled Money Investment Loan in the amount of \$6.9 million to cover pre-construction and planning work. In addition, we've been working with the State Treasurer's Office on this project. One of the issues raised is the need for a good community outreach program. We've committed ourselves to set up a more formal community outreach program to address concerns of the community and the city regarding this project. The State Treasurer has asked that we report back to the Board within 60 days on how we're progressing with this program. We recommend your approval of the item.

Mr. Lujano stated that the Treasurer is supportive of this project, however, his affirmative vote is conditioned on a commitment from staff that they will report back to the Board within 60 days regarding community outreach and community involvement in the planning and design of the project.

A motion was made by Mr. Lujano, and Seconded by Ms. Aronberg to adopt Bond Item #1, contingent upon the conditions set forth by the State Treasurer.

Bond Item #1 was adopted by a 4-0 vote.

Item #3, University of California, Irvine Campus, Natural Sciences Unit 2-McGaugh Hall Renovation and Expansion. This item will authorize the use interim financing and the sale of additional lease revenue bonds under the previous indenture.

A motion was made by Mr. Garcia, and Seconded by Ms Aronberg to adopt Bond Item #3.

Bond Item #3 was adopted by a 4-0 vote.

CONSENT CALENDAR:

Mr. Tilton noted that the Consent Calendar covered Items #5 through #16. We are pulling Item #16, which is the Department of Food and Agriculture, Dorris Agriculture Inspection Station, based on discussions we've had with Joint Legislative Budget Committee.

The revised Consent Calendar covers Items #5 through #15.

In summary, the consent calendar proposes: five requests to approve preliminary plans, two requests to authorize site selection, two requests to authorize acquisition, two requests to recognize a scope change, one request to recognize cost increase and one request to authorize amendments to a long-term lease.

There are three 20-day letters in your package. Item #7, Department of Parks and Recreation, Prairie State Vehicular Recreation Area, recognize scope change. A 20-day letter was sent to the Legislature on June 19, 2003, without comment. Item #14, California Community Colleges, Chaffey Community College District, Chaffey College, Science Building, recognize a scope change. A 20-day letter was sent to the Legislature on June 19, 2003, without comment. Item #16, Department of Food and Agriculture, Dorris Agriculture Inspection Station, recognize project augmentation. A 20-day letter was sent to the Legislature on June 25, 2003, and we received comment as stated previously from the Joint Legislative Budget Committee.

Staff recommends approval of the revised consent calendar Items #5 through #16.

A motion was made by Mr. Garcia, and Seconded by Ms. Mateo to adopt the Revised Consent Calendar and to approve Items #5 through #16.

The consent calendar was adopted by a 2-0 vote.

ACTION ITEMS:

Mr. Tilton stated that there were five Action Items. We are pulling Item #18, Department of General Services, Department of Parks and Recreation, Benbow Lake State Recreation Area, Coombs Property (DPR Parcel #A40901, DGS Parcel #10182 and Item #19, Department of General Services, Department of Parks and Recreation, Humboldt Redwoods State Park (DPR Parcel #A38001 through #A38007, DGS Parcel #10172 and Item #20, Department of General Services, Department of Parks and Recreation, Jedediah Smith Redwoods State Park (DPR Parcel #A40601, DGS Parcel #10174 to allow time to address legal and policy issues at the request of the Agency Secretary.

Item #17, Department of General Services, California Institution for Men-Chino, Surplus Parcel #SSL621. The requested action will authorize the sale of State surplus property consistent with staff analysis and specific legislation. Staff recommends your approval contingent upon the following items:

- Certification of the Environmental Impact Report for the specific plan;
- City granting all approvals necessary to rezone the 470-acre development parcel, approving a specific plan or plans for the property, and entering into any development agreements needed for the State to sell the property to the private developer pursuant to the sale agreement.
- Termination of the PWB's right of entry across the surplus property.
- City entering into an agreement with the state to accept the no cost conveyance of 140 acres subject to the terms and conditions mandated by Section 14672.14 of the Government Code.

- Chaffey Community College entering into an agreement with the state to accept the no cost conveyance of 100 acres subject to the terms and conditions mandated by Section 14672.14 of the Government Code.

Mr. Tilton states that this is a significant surplus sale in which we are moving forward in trying to increased entitlements on the property. In order to complete these entitlements, the developer must spend a significant amount of money. Before accepting and completing the transaction the conditions listed must be met. Normally we don't have these kinds of contingencies on these kinds of actions. Staff recommends your approval.

A motion was made by Mr. Garcia, and Seconded by Ms. Mateo to approve staff recommendation with the specified contingencies and adopt Action Item #17.

Action Item #17 was adopted by a 2-0 vote.

Item #21, California State University, Fresno State University, Education Building. The requested action will authorize the execution of the First Amendment to the Site Lease and the Fourth Amendment to the Facility Lease.

A motion was made by Mr. Garcia, and Seconded by Ms. Mateo to adopt Action Item #21.

Action Item #21 was adopted by a 2-0 vote.

OTHER BUSINESS:

Mr. Tilton stated that there were no items of other business.

REPORTABLES:

Mr. Tilton indicated there were fourteen reportable items that Finance staff had approved under the authority delegated by the Board.

NEXT MEETING:

Mr. Tilton noted that the next PWB meeting is scheduled for Friday, August 15, 2003, at 10:00 am, in Room 112.

Having no further business, the meeting was adjourned at 10:16 am.

BOND ITEM

BOND ITEM – 1

DEPARTMENT OF GENERAL SERVICES (1760)
CAPITOL AREA WEST END COMPLEX,
SACRAMENTO, SACRAMENTO COUNTY
Office Buildings and Parking Garage

Authority: Chapter 672/01

Adopt a resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Authorize the execution of the Construction Agreement between the Department of General Services and the State Public Works Board.
3. Approve the form of and authorize the execution of a Site Lease between the Department of General Services and the State Public Works Board.
4. Approve the form of and authorize the execution of the Facility Lease between the Department of General Services and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

TOTAL ESTIMATED BOND AUTHORIZATION:

\$391,000,000

APPROVED.

BOND ITEM

STAFF ANALYSIS – 1

Department of General Services
Capitol Area West End Complex, Blocks 203, 204, & 266, Sacramento

Action Requested

The requested action will adopt a resolution authorizing the use of interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. This project will construct a new State Office Complex and associated parking on Blocks 203 and 204 (bounded by 7th/8th – N/O streets) and a stand-alone parking facility on half of Block 266 (bounded by 8th/9th – Q/R streets). The two buildings will total 1.4 million gross square feet of office space and parking. Renovation/mitigation of the historic Heilbron Mansion currently on the northwest corner of Block 204 is included.

Funding and Cost Verification

This project is within cost.

\$391,000,000 total estimated project costs

\$0 project costs previously allocated

\$391,000,000 project costs to be allocated: site acquisition for \$9,240,000; design/bid for \$14,132,000; construction for \$367,628,000 (\$312,771,000 contract, \$11,797,000 contingency, \$20,950,000 A & E, and \$22,110,000 agency retained)

CEQA

The CEQA documentation will be filed during the preliminary plan phase.

Project Schedule

The project schedule is as follows:

Approve site acquisition:	March 2005
Approve design / build:	April 2005
Complete construction:	August 2008

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 2

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)

HEMET-RYAN AIR ATTACK BASE, RIVERSIDE COUNTY

Replace Facility

*Authority: Chapter 106/01, Item 3540-301-0660(6)
Chapter 379/02, Item 3540-301-0660(8.8)*

Adopt resolution to:

1. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Authorize the execution of the Construction Agreement between the Department of Forestry and Fire Protection and the State Public Works Board, with consent of the March Joint Powers Redevelopment Agency (MJPRRA).
3. Approve the form of and authorize the execution of a Site Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
4. Approve the form of and authorize the execution of a Facility Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

TOTAL ESTIMATED COST:

\$5,456,000

PULLED.

BOND ITEM

STAFF ANALYSIS – 2

Department of Forestry and Fire Protection
Hemet Ryan Air Attack Base, Replace Facility

Action requested

The requested actions will adopt a resolution authorizing the use of interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. The approved project consists of constructing the following: a helicopter hanger (approximately 1,984 sq. ft.); an OV-10 hangar (3,600 sq. ft.); a 4,646 air operations building; a 3,850 sq. ft. (22 bed), barracks/messhall; and a 4,812 sq. ft. 3-bay apparatus building/warehouse building. Site work consists of demolition, clearing and grubbing, earthwork, paving, utilities and landscaping. Chapter 379/02, Item 3540-301-0660(8.8), Budget Act of 2002, authorized the acquisition of a long-term lease, tarmac construction work associated with this Lease Revenue Bond Project, and authorizes the Department of Forestry and Fire Protection (CDF) to contract with the March Joint Powers Redevelopment Agency (MJPRRA), with the approval of the State Public Works Board (PWB), to cause and manage the construction of this project.

The pre-payment of the 50-year ground lease is intended to facilitate the sale of Lease-Revenue Bonds by securing unfettered long-term rights to and use of the site. The ground lease will provide quiet enjoyment of the project beyond the term of the bonds and cannot be terminated by the MJPRRA (Lessor). The lease also provides the State with the right of first offer, in which the State has 30 days to notify the Lessor of its interest in purchasing the site. While the Lessor generally acknowledge the State's acquisition process and agrees to reasonably cooperate in obtaining Public Works Board approval and fulfilling any other State requirements, it should be noted that the language is permissive and does not explicitly accommodate the budget process. However, the MJPRRA has indicated that more explicit language pertaining to the right of first offer is unacceptable. Therefore, while the language is less than ideal, the provision gives the State additional rights beyond what is required for bond financing. Should the State not exercise the right of first offer, any subsequent sale to a third party will not affect the State's quiet enjoyment of the facility for the term of the lease. The PWB approved the form of Ground Lease at the June 13, 2003 meeting.

The Joint Development Agreement (JDA) between the CDF and MJPRRA authorizes the MJPRRA to cause and manage the construction of this project with State oversight provided by CDF. The JDA requires the MJPRRA to meet all State requirements, the same as if this project was managed by the Department of General Services. The JDA also requires the MJPRRA to bid the project in such a way as to provide a clear distinction between the costs of the State funded improvements and the MJPRRA funded improvements. The CDF will ensure that the applicable State requirements are met and that the facility is constructed according to the approved design and specifications. The PWB approved the form of JDA at the June 13, 2003 meeting.

Funding and Cost Verification

This project is within cost. Chapter 106/01, Item 3540-301-0660(6), Budget Act of 2001, appropriated \$3,347,000 for construction and Chapter 379/02, Item 3540-301-0660(8.8), Budget Act of 2002, appropriated an additional \$2,109,000 for acquisition of a long-term lease and construction.

\$5,786,000 total estimated project costs

\$330,000 project costs previously allocated: preliminary plans \$164,000 and working drawings \$166,000

\$5,456,000 project costs to be allocated: acquisition \$350,000 and construction \$5,106,000 (\$4,384,000 contract; \$219,000 contingencies; and \$503,000 A&E)

CEQA

A Notice of Determination was filed with the State Clearinghouse on May 23, 2000 and the waiting period expired on June 22, 2000.

Project Schedule

The project schedule is as follows:

Complete construction: December 2004

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 3

UNIVERSITY OF CALIFORNIA (6440)

IRVINE CAMPUS, ORANGE COUNTY

Natural Sciences Unit 2 – McGaugh Hall Renovation and Expansion

*Authority: Chapter 106/01, Item 6440-302-0574 (5)
Chapter 33/02, Section 34(a)(2)(A)*

a. Adopt resolution to:

1. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Authorize the execution of the Construction Agreement between the University of California and the State Public Works Board.
3. Approve the form of and authorize the execution of the Site Lease between the University of California and the State Public Works Board.
4. Approve the form of and authorize the execution of the Facility Lease between the University of California and the State Public Works Board.
5. Authorize the sale of additional State Public Works Board Lease Revenue Bonds under the previous Indenture dated August 1, 1993.

b. Amend resolution dated January 10, 2003 to clarify that it authorizes one of two separate components of the Natural Sciences Unit 2 project.

TOTAL ESTIMATED BOND AUTHORIZATION:

\$9,082,000

APPROVED.

BOND ITEM

STAFF ANALYSIS – 3

University of California, Irvine
Natural Sciences Unit 2 – McGaugh Hall Renovation and Expansion

Action Requested

The requested action will adopt a resolution authorizing interim financing and the sale of additional lease revenue bonds under the previous Indenture.

Scope Description

This project is within scope. The Natural Sciences Unit 2 project will construct a new 85,460 assignable square foot (asf) lab facility to house research activities in biological sciences, chemistry and physics and will expand and renovate portions of the existing animal facility in McGaugh Hall. The renovation and expansion of McGaugh Hall will provide 13,350 asf and 18,226 gross square feet. The expansion will provide additional animal holding rooms, an expanded cage wash facility with improvements to maintain separate clean and dirty circulation, a minimally outfitted BioSafety Level 3 suite, and a renovated support space.

Funding and Cost Verification

This project is within cost.

\$9,355,000 total estimated project costs

\$273,000 project costs previously allocated: preliminary plans \$205,000 (State GO Bond funds), working drawings \$68,000 (State GO Bond funds).

\$9,082,000 project costs to be allocated: construction \$8,057,000 (State LRBs); equipment \$1,025,000 (State LRBs).

CEQA

The University certifies that the project is in compliance with CEQA.

Project Schedule

The project schedule is as follows:

Complete construction: October 2005

Staff Comments

- The Natural Sciences Unit 2 project is funded with \$55,319,000 in lease-revenue bonds. The project has two distinct components. The new building component will construct a new Natural Sciences 2 building, which will provide laboratories for biological sciences, chemistry, and physics; \$46,237,000 of project funds has been allocated to this component. The other component will renovate and expand portions of the existing McGaugh Hall; \$9,082,000 of project funds has been allocated to this component.
- This item authorizes leases and agreements and interim financing for the expansion and renovation of the animal facility in McGaugh Hall. A separate item, which was approved at the January, 2003 PWB meeting, authorized the agreements and financing for the new building portion of the Natural Sciences Unit 2 project.
- The McGaugh Hall project is funded by State Public Works Board lease revenue bond funds and contains no UC external financing.
- McGaugh Hall has outstanding state lease revenue bonds - 1990 Series A (Various University of California Projects) Bonds for \$11,009,925.61, which was refunded, in part, by

1993 Series A (Various University of California Projects) Bonds. The bonds authorized in this item will be issued under the prior indenture.

- This item also authorizes the amendment to the resolution dated January 10, 2003 authorizing interim financing for the new building to clarify that it is one of two separate components of the Natural Sciences Unit 2 project. The financing for the new building includes State Public Works Board bonds on a portion of the building and UC debt on a portion of the building.

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 4

CALIFORNIA COMMUNITY COLLEGES (6870)
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT,
SANTIAGO CANYON COLLEGE, ORANGE COUNTY
Learning Resource Center

Authority: Chapter 50/99, Item 6870-301-0574 (55.1)
Chapter 106/01, Item 6870-301-0574 (43)
Chapter 33/02, Section 34 (a) (4) (A)

Adopt a resolution to:

1. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Authorize the execution of the Construction Agreement between the Rancho Santiago Community College District and the State Public Works Board.
3. Approve the form of and authorize the execution of a Site Lease between the Rancho Santiago Community College District and the State Public Works Board.
4. Approve the form of and authorize the execution of an Agreement for the Facility Lease between the Rancho Santiago Community College District and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

TOTAL ESTIMATED BOND AUTHORIZATION:

\$8,975,000

PULLED.

BOND ITEM

STAFF ANALYSIS – 4

California Community Colleges, Rancho Santiago Community College District
Santiago Canyon College, Orange County
Learning Resource Center

Action Requested

The action requested will adopt a resolution authorizing the sale of lease revenue bonds and interim financing therefore.

Scope Description

The project is within scope. The project constructs a 29,329-asf learning resource center consisting of 20,203 asf for library, 4,928 asf for AVTV, 2,913 asf for offices, 794 asf for laboratory, and 491 asf other spaces. Minor refinements in design have resulted in a slight shifting of spaces but still yield the same asf.

Funding and Project Cost Verification

This project is within cost.

\$9,565,000 total estimated project costs

\$ 590,000 project costs previously allocated: preliminary plans \$278,000 and working drawings \$312,000

\$8,975,000 project costs to be allocated: construction \$8,099,000 (\$7,300,000 contracts, \$365,000 contingency, \$434,000 administration, testing, inspection, and construction management) at CCCI 4019, and equipment \$876,000 at EI 2564.

CEQA

The project is in compliance with CEQA. A negative declaration was filed with the State Clearinghouse and the State acknowledged completion of the environmental requirements on April 20, 2000.

Project Schedule

The project schedule is as follows:

Complete construction: April 2005

Staff Recommendation: Adopt resolution.

CONSENT ITEM

CONSENT ITEM – 5

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
SPRINGVILLE FOREST FIRE STATION, TULARE COUNTY
Replace Facility

Authority: Chapter 50/99, Item 3540-301-0001(44)
Chapter 379/02, Item 3540-301-0660 (18)

a. Approve preliminary plans

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 5

Department of Forestry and Fire Protection
Springville Forest Fire Station – Replace Facility

Action requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project constructs a two-engine station. The new station consists of the following buildings: a 2,921 +/- sf 12 bed barracks/mess hall, 1,984 +/- sf 3-bay apparatus building, a 156 +/- sf flammables storage building, a 156 +/- sf pump house, site work, utilities, paving, crew parking area, fueling facility, helispot, fencing, landscaping, communications tower and other appurtenances as needed. Demolition of the existing Milo Forest fire Station is also included.

Funding and Cost Verification

This project is not within cost. Item 3540-301-0660(18), Budget Act of 2002, provides \$188,000 for the working drawing phase of this project and recognizes a total project cost of \$2,940,000. Based on the preliminary plan estimate, an additional \$240,000 (8.2% of the total project) will be needed to complete the project due to updated cost standards for the buildings, increase cost for site work, and relocating pump house equipment costs. The department has been instructed to identify potential cost savings during the working drawings phase and bring the project back within cost. Therefore, no change in cost should be recognized at this time.

\$3,180,000 total estimated project costs

\$2,940,000 total authorized project costs

\$365,000 project costs previously allocated: acquisition \$155,000, preliminary plans \$210,000

\$2,575,000 project costs not allocated: acquisition \$45,000, working drawings \$188,000, construction \$2,342,000 (\$1,895,000 contract, \$95,000 contingency, \$352,000 A&E)

\$240,000 unrecognized anticipated deficit: construction \$240,000

CEQA

A Notice of Categorical Exemption was filed with the State Clearinghouse on October 4, 2000 and the waiting period expired on December 18, 2000.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	July 2003
Complete construction:	September 2005

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 6

DEPARTMENT OF PARKS AND RECREATION (3790)
FOLSOM POWERHOUSE STATE HISTORIC PARK, SACRAMENTO COUNTY
Visitor Center

Authority: Chapter 379/02, Item 3790-301-0005 (27.5)
Chapter 379/02, Item 3790-301-0005 (30)

a. Approve preliminary plans

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 6

Department of Parks and Recreation
Folsom Powerhouse State Historic Park, Sacramento County
Visitor Center

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project will provide a new 9,000 sq. ft. Visitor Center of for the Folsom Powerhouse State Historic Park, including 5,000 sq. ft. of public visitor space, and 4,000 sq. ft. of low-cost workspace and storage. The facility will be constructed on State owned property, and will include an interpretive exhibit gallery, audio/visual presentation area, meeting/lecture space, restrooms, office, artifact/equipment storage room and utility/janitorial service space.

Funding and Cost Verification

This project is within cost.

\$1,887,000 total estimated project costs

\$100,000 project costs previously allocated: preliminary plans

\$1,787,000 project costs to be allocated: working drawings \$119,000, construction \$1,653,000 (\$1,000,000 contract, \$50,000 contingency, \$112,000 A&E costs \$491,000 agency retained items), and equipment \$15,000 at CCCI 4019

CEQA

A Notice of Determination was filed with the State Clearinghouse on May 14, 2003 and the waiting period expired on June 13, 2003.

Project Schedule

The project schedule is as follows:

Approve working drawings:	July 2004
Complete construction:	September 2005

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 7

DEPARTMENT OF PARKS AND RECREATION (3790)
PRAIRIE CITY STATE VEHICULAR RECREATION AREA-SACRAMENTO COUNTY
Compatible Land Use-Acquisition

Authority: Chapter 379/02, Item 3790-301-0263(3)

a. Approve scope change

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 7

Department of Parks and Recreation
Prairie City State Vehicular Recreation Area-Sacramento County
Compatible Land Use-Acquisition

Action Requested

The requested action will approve a scope change for this project.

Scope Description

This project is not within scope. This project as approved by the Legislature will provide for the acquisition of the property adjacent to Prairie City State Vehicular Recreation Area (SVRA) to be used as buffer land for the recreational activities at the park. Due to an unwilling seller, the Department is requesting a scope change for this project.

The proposed scope change would provide funds for the Department in concert with the Sacramento Valley Conservancy (SVC) to purchase of the remainder of the 4,000-acre property currently known as Deer Creek Hills in eastern Sacramento. The proposed property is not contiguous to Prairie City SVRA, however, the property is part of a larger project that will help protect the unit from proposed urban development and thereby insure the future operation of Prairie City SVRA. The SVC has prepared a conceptual Area Protection Plan approved by California Department of Fish and Game.

In October 2001, the SVC secured an option on the purchase of Deer Creek Hills. In October 2002, the SVC closed escrow on the first half of the property. To purchase the remainder of the property, an additional \$1.9m is needed by September 30, 2003. Therefore, the Department is requesting a change in scope to allow for the acquisition of approximately 668 acres of the Deer Creek Hills property. This project will assist the Department in providing buffer and open space to assure the future operation of Prairie City SVRA as a regional and statewide recreational facility. The Department will receive fee title to the approximately 668 acres. The SVC and the Department will develop a Memorandum of Understanding stating that the SVC will manage activities at Deer Creek Hills and the Department will manage its ownership portion at Deer Creek Hills jointly with SVC. A scope change letter was sent to the Legislature on June 20, 2003 and the 20-Day waiting period has expired without comment.

Funding and Cost Verification

This project is within cost.

CEQA

CEQA compliance is not required for this action.

Project Schedule

The project schedule is as follows:

PWB Approval of Site Selection and Acquisition: August 15, 2003

Staff Recommendation: Approve scope change.

CONSENT ITEM

CONSENT ITEM – 8

DEPARTMENT OF PARKS AND RECREATION (3790)
WILL ROGERS STATE HISTORIC PARK, LOS ANGELES COUNTY
Historic Landscape Restoration

Authority: Chapter 379/02, Item 3790-301-6029(1)

a. Approve preliminary plans

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 8

Department of Parks and Recreation
Will Rogers State Historic Park, Historic Landscape Restoration

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project will address critical infrastructure deficiencies at Will Rogers State Historic Park by restoring historic landscape elements of the original Will Rogers Ranch, to the 1920 to 1935 era. The project will restore the historic landscape features such as pastures, ornamental landscape, fences, culverts, and ranch-related structures. Key areas that will be addressed to improve the overall infrastructure include: drainage; water quality; stabilization, repair and rehabilitation of historic buildings and features; and, replacement of lost or damaged plantings with historically correct ones.

Funding and Cost Verification

This project is within cost.

\$2,000,000 total estimated project costs

\$127,000 project costs previously allocated: preliminary plans

\$1,873,000 project costs to be allocated: working drawings \$86,000, construction \$1,787,000 (\$1,562,000 contract, \$110,000 contingency, \$81,000 A&E costs \$34,000 agency retained items), at CCCI 4019

CEQA

A Notice of Determination was filed with the State Clearinghouse on March 27, 2003 and the waiting period expired on April 26, 2003.

Project Schedule

The project schedule is as follows:

Complete working drawings: September 2003

Complete construction: November 2004

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 9

DEPARTMENT OF GENERAL SERVICES (1760)
SANTA MONICA MOUNTAINS CONSERVANCY (3810)
BIG TUJUNGA—DANCHIK PROPERTY, LOS ANGELES COUNTY
Project Number SMMC-225, DGS Parcel Number 10129

Authority: Public Resources Code Sections 33203 and 33203.5

a. Authorize acquisition consistent with the staff analysis

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 9

Department of General Services
Santa Monica Mountains Conservancy
Big Tujunga – Danchik Property

Action Requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The requested action will authorize acquisition of three adjacent parcels totaling 2.17 acres of unimproved and unoccupied land. The project is consistent with the Santa Monica Mountains Conservancy's Comprehensive Plan and fulfills the purpose of Division 23 of the Public Resources Code. The property has been included in numerous studies on wildlife corridors, including the South Coast Wildlands Statewide Missing Linkages Study, and is being acquired for protection as a wildlife corridor and viewshed.

Funding and Cost Verification

This project is within cost. All necessary funding for this acquisition has been secured through an Environmental Enhancement Mitigation Program Grant.

\$170,000 total estimated project costs: \$145,000 for acquisition and \$25,000 for administrative staff costs and escrow fees

CEQA

A Notice of Exemption was filed with the State Clearinghouse on 7/8/02, and the waiting period expired on 8/12/02.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is August 2003

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit on August 15, 2002, of the proposed purchase site by the Santa Monica Mountains Conservancy, known as the Big Tujunga, Danchik site, in Los Angeles County. ESS staff noted no due diligence issues that would prevent the site acquisition due to the following: (1) the site remains undeveloped; (2) there are no surface/subsurface improvements on the property that would require inspection; (3) no observation of hazardous material use, solid waste, storage of these wastes, or surface drainage was made that would raise a concern for migration of hazardous materials. Staff concluded that a formal Preliminary Site Assessment, Phase I, was not necessary for acquisition based on these findings.

Other:

- The State Public Works Board approved this project for site selection on September 13, 2002.
- The purchase price shall not exceed estimated fair market value as determined by Department of General Services (DGS) approved appraisal.
- The Mountains Recreation and Conservation Authority will fund all management costs from telecommunication antenna lease revenue generated on SMMC's Ritter Ranch property.

Management costs include a \$500 one time set up fee and \$2,080 annually for weekly ranger visits.

- The land is vacant and unoccupied and there is no relocation assistance involved with this acquisition.

Staff Recommendation: Authorize acquisition consistent with the staff analysis.

CONSENT ITEM

CONSENT ITEM – 10

DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA REHABILITATION CENTER, NORCO, RIVERSIDE COUNTY
Patton State Hospital Double Perimeter Security Fence

Authority: Chapter 324/98, Item 5240-301-0001 (27.2)
Chapter 379/02, Item 5240-301-0001 (7)

a. Approve preliminary plans

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 10

Department of Corrections
California Rehabilitation Center, Norco, Riverside County
Patton State Hospital Double Perimeter Security Fence

Action Requested

The requested action will approve preliminary plans and the release of working drawing funds for this project.

Scope Description

This project is within scope. The project includes the construction of a new Level II double perimeter fence around both the East and West Facilities at Patton State Hospital. Included within the design will be the demolition of all ground posts, existing fencing, lighting, paving, and selected trees and bushes. The scope of work will also include a new double security fence with barbed tape, electronic detection system, 15 new ground guard posts, two vehicle sallyports, perimeter patrol roadway improvements, modifications to portions of the internal roads, and a new security system including improved security lighting and new closed circuit television cameras.

Funding and Project Cost Verification

This project is within cost.

\$11,277,000	total estimated project cost
\$1,340,000	project costs previously allocated: study \$346,000; preliminary plans \$427,000; working drawings \$567,000
\$9,937,000	project costs to be allocated: construction \$9,937,000 (\$7,727,000 for construction contract, \$541,000 for contingency, \$1,072,000 for project administration, and \$597,000 for agency-retained,
\$1,849,000	project savings based on preliminary plans

CEQA

CDC certifies that it has complied with the requirements of CEQA for this project. Notice of Determination was filed with the State Clearinghouse on February 11, 2003, and the waiting period expired on March 11, 2003, with no opposition to this project.

Project Schedule:

The project schedule is as follows:

Approval of Preliminary Plans:	July 2003
Completion of Working Drawings:	November 2003
Complete Construction:	September 2006

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEM

CONSENT ITEM – 11

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA DEPARTMENT OF CORRECTIONS (5240)
DELANO II, SITE FOR EFFLUENT DISPOSAL, KERN COUNTY
Project Number COR-056.1, DGS Parcel 10166

Authority: Government Code Section 15819.295, Section 3

a. Authorize site selection

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 11

Department of General Services
Department of Corrections
Delano II, Effluent Disposal Property

Action Requested

The requested action will authorize site selection for this project.

Scope Description

This action is within scope. The project provides for acquisition of real property, site studies, environmental studies, master planning, preliminary plans, and working drawings needed to construct the proposed Delano II prison facility. As part of the required infrastructure developments, the prison facility will include a wastewater treatment plant with storage ponds and offsite sprayfields to dispose of the effluent. This action will authorize site selection of up to 240 acres adjacent to the proposed Delano II prison facility for this purpose.

Funding and Cost Verification

This project is within cost. Government Code Section 15819.295, Section 3, provides \$24.0 million for land acquisition of the proposed Delano II prison facility. The property for effluent disposal can be acquired within the funds available and in accordance with the intent of the Legislature.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is August 2003.

Condition of Property

The sites are located immediately west of the Delano II prison site and are in 11 contiguous parcels. The parcels, which are approximately 240 acres in size, have historically been in agricultural production. The land is entirely flat. While the properties are contiguous, 9 of the parcels belong to one owner and the remaining 2 parcels belong to another owner. The 9 parcels total about 197 acres, while the other 2 parcels total about 40 acres.

The larger property has a 2-bedroom home that is in fair condition located on the corner of Garces Hwy. And Wasco Pond Road. The home is served with an existing domestic well and septic system. Similarly, the smaller property also has a home on it that appears to be in good condition and is also served with a domestic well and septic system. Both properties have outbuildings, which appear to be in good condition.

Large agricultural wells exist on both properties. On the larger property the wells have been used for at least 10 years and agricultural production on the properties is currently served by surface water. Currently, about 135 of the 197 acres on the larger property are in agricultural production (cotton). Likewise, about 20 of the 40 acres on the smaller property are in cotton.

No hazardous substances were found on either properties and a Phase I Site Assessment is not recommended for either property.

Other:

- The purchase price will not exceed estimated fair market value as determined by a Department of General Services approved appraisal.

- The Department of Corrections is not aware of any lawsuits pending concerning the property.
- The California Department of Corrections (CDC) originally anticipated being able to sell treated effluent to interested nearby property owners to provide for the disposal of effluent. However, once it was determined that the treated effluent could not be used on certain crops such as almonds or table grapes, these nearby property owners said they were no longer interested in taking the effluent although there is some willingness to sell the property to the State for that use.

Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 12

DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA INSTITUTE FOR MEN, CHINO
Emergency Bed Program

Authority: Government Code Section 15809

- a. **Authorize execution of the First Amendment to Site Lease and Right of Entry Agreement by and between the State Public Works Board and the Department of Corrections and the Amended and Restated Memorandum of Facility Lease by and between the State Public Works Board and the Department of Corrections, for the Department of Corrections – Emergency Bed Program (California Institution for Men, Chino) 1998 Series A Lease Revenue Bonds contingent upon consent from the bond insurer, the State Treasurer and the Department of General Services.**

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 12

Department of Corrections
California Institute for Men, Chino
Emergency Bed Program

Action Requested

Authorize execution of the First Amendment to Site Lease and Right of Entry Agreement by and between the State Public Works Board and the Department of Corrections and the Amended and Restated Memorandum of Facility Lease by and between the State Public Works Board and the Department of Corrections, for the Department of Corrections – Emergency Bed Program (California Institution for Men, Chino) 1998 Series A Lease Revenue Bonds contingent upon consent from the bond insurer, the State Treasurer and the approval of the Department of General Services.

Background Information

In 1998, the State Public Works Board ("Board") issued lease revenue bonds (1998 Series A) to finance the construction of the various improvements located at ten (10) separate prisons for the Department of Corrections ("Corrections") Emergency Bed Program (E-Bed). At the time the bonds were issued, the Board entered into a Site Lease and Right of Entry Agreement and a Facility Lease with Corrections for each of the ten (10) prison locations. In addition, the Board and Corrections entered into ten (10) Memorandums of Facility Lease. The Site Lease and Right of Entry Agreements and the Memorandums of Facility Lease were recorded with the San Bernardino County Recorder.

This item seeks authorization to make amendments to the Site Lease, Right of Entry Agreement and the Memorandum of Facility Lease for the financed E-Bed Facilities located at the California Institution for Men – Chino (CIM). The legal descriptions for the financed E-Bed Facilities at CIM are correct and do not need to be changed. However, it was recently discovered that the legal description for the right of entry that was granted by Corrections to the Board to access and service the E-Bed Facilities at CIM is incorrect and needs to be corrected in order to facilitate the sale of surplus state owned real property adjacent to CIM.

Accordingly, authorization is being requested to amend the Site Lease, Right of Entry Agreement and the Memorandum of Facility Lease to delete the incorrect description of the right of entry and replace it with an accurate description of a right of entry. The "footprints" of the financed E-Bed Facilities at CIM remain unchanged. The Facility Lease does not require amendment, as it did not reference the legal description for the right of entry. Due to the time sensitivity associated with the sale of surplus land, this authorization is being sought contingent upon consent by the bond insurer (Ambac) and the State Treasurers Office (STO) since those consents are necessary for valid execution of the proposed amendments. Staff has had discussions with both Ambac and the STO and while it is anticipated they will consent to these technical amendments, formal consent is still in process.

Staff Recommendation: Authorize execution of the First Amendment to Site Lease and Right of Entry Agreement by and between the State Public Works Board and the Department of Corrections and the Amended and Restated Memorandum of Facility Lease by and between the State Public Works Board and the Department of Corrections, for the Department of Corrections – Emergency Bed Program (California Institution for Men, Chino) 1998 Series A Lease Revenue Bonds contingent upon consent from the bond insurer, the State Treasurer and the approval of the Department of General Services.

CONSENT ITEM

CONSENT ITEM – 13

UNIVERSITY OF CALIFORNIA (6440)
SAN DIEGO CAMPUS, SAN DIEGO COUNTY
UCSDMC Hillcrest Seismic Improvements, Phase 1

*Authority: Section 15820.81 of the Government Code
As amended by Senate Bill 1667 (Chapter 71/00)*

a. Approve preliminary plans

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 13

University of California, San Diego
UCSDMC Hillcrest Seismic Improvements, Phase 1

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. The UCSDMC Hillcrest Seismic Improvements, Phase 1 project will seismically upgrade the pedestrian/utility bridge located west of the North Annex Facility and north of Dickinson Street on the UCSD Medical Center Hillcrest campus. The existing structure is a concrete moment frame structure and is weak at certain column “hinge” points in both the transverse and longitudinal directions. The bridge carries main utility lines attached directly to the underside of the structure and on separate footings located beneath the structure. The project will upgrade the lateral force-resisting capacity of the bridge and the utility lines with their bracing and anchorages to the standards required by SB 1953.

Funding and Project Cost Verification

This project is within cost.

\$3,709,000 total estimated project costs

\$243,000 project costs previously allocated: preliminary plans -- \$243,000 (campus funds)

\$3,466,000 project costs to be allocated: working drawings -- \$373,000 (campus funds),
construction -- \$3,093,000 (State LRB funds)

CEQA

The University certifies that the project is in compliance with the requirements of CEQA.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	July 2003
Approve working drawings:	October 2003
Complete construction:	May 2004

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 14

CALIFORNIA COMMUNITY COLLEGES (6870)
CHAFFEY COMMUNITY COLLEGE DISTRICT,
CHAFFEY COLLEGE, SAN BERNARDINO COUNTY
Science Building

Authority: Chapter 106/01, Item 6870-301-0574 (12)
Chapter 379/02, Item 6870-301-6028 (7)

- a. **Approve change in project scope**
- b. **Recognize local cost increase**

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 14

California Community Colleges
Chaffey Community College District
Chaffey College, Rancho Cucamonga, San Bernardino County
Science Building

Action Requested

The requested action will approve a change in project scope and recognize local cost increase.

Scope Description

This project is not within scope. The authorized scope of the project provides for the construction of a two building science complex totaling 21,352 asf with 2,324 asf lecture, 13,998 asf laboratory, 3,331 asf office, 597 asf library space and 1,102 asf other spaces that will replace the instructional space dedicated to biology, chemistry, physics, engineering and biological science programs at the campus.

The District proposes to use the state funds to create a three building complex with the same break down of space as the two building complex. In addition, the District proposes to add a fourth building of 5,694 asf to the complex at local cost and wants to bid the entire four building complex together as one contract due to the close proximity of the local project to the State project and the need to coordinate the site development and infrastructure work. This fourth building is programmatically related to the Science complex approved by the Legislature and will contain 5,506 asf of biological instructional laboratories, 100 asf of office and 88 asf for a mouse colony.

The modified proposal, incorporating both the State and local projects, will construct a total of 27,046 asf of instructional space with 2,324 asf for lecture, 19,504 asf of laboratory, 597 asf for library research in the science disciplines, 3,431 asf for offices, and 1,190 for other spaces, including a mouse colony and greenhouse. A 20-day letter was sent to the Legislature on June 19, 2003, without comment.

Funding and Project Cost Verification

This project is within cost. The District estimates that the cost of the above changes will increase the total project construction costs by \$3,249,000. The District will provide all additional funds so that the cost to the State does not change. Pursuant to Section 13332.11 of the Government Code, a cost change funded by the District does not constitute a cost change in the State project.

\$13,476,000	total estimated project costs
\$673,000	project funds previously allocated: preliminary plans \$326,000 and working drawings \$347,000
\$9,553,000	project funds to be allocated: construction for \$9,489,000 (\$8,543,000 contracts, \$427,000 contingency and \$519,000 tests and inspections, architectural oversight during construction, and construction management) at CCI 4019, and equipment for \$64,000 at EI 2564
\$3,250,000	local funds to be allocated: preliminary plans \$112,000, working drawings \$122,000 and construction \$3,016,000 (\$2,751,000 contracts, \$138,000 contingency and \$127,000 tests and inspections, architectural oversight during construction, and construction management) at CCI 4019

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 8, 2001 and the waiting period expired on December 13, 2001.

Project Schedule

The project schedule is as follows:

Contract Award Approval	July 2003
Complete Construction	January 2005

Staff Recommendation: Approve change in project scope and recognize local cost increase.

CONSENT ITEM

CONSENT ITEM – 15

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF FOOD AND AGRICULTURE (8570)
10-A DISTRICT AGRICULTURAL ASSOCIATION
TULELAKE HIGH SCHOOL PROPERTY, BUTTE VALLEY FAIR, SISKIYOU COUNTY
DFA Project Number 017, DGS Parcel No. 10167

Authority: Food and Agriculture Code Section 4051

a. Authorize site selection and acquisition consistent with the staff analysis

APPROVED.

CONSENT ITEM

STAFF ANALYSIS – 15

Department of General Services
Department of Food and Agriculture
10-A District Agricultural Association
Tulelake High School Property, Butte Valley Fair

Action Requested

The requested action will authorize site selection and acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The 10-A District Agricultural Association (10-A DAA) proposes to acquire a 20.0-acre site adjacent to the existing Tulelake Butte Valley Fair. The Tulelake School District purchased 40 acres with the intention of utilizing 20 acres for a school farm and selling the remaining 20 acres to the fair. The unimproved, agriculturally zoned site borders the fairgrounds on the south and will be used for the expansion of fairgrounds parking.

Funding and Cost Verification

This project is within cost. The 10-A DAA will fund the acquisition and related costs from its budget reserve and a funding program administered by the Division of Fairs and Expositions. The acquisition expenses can be met with funds available and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on June 3, 2003, and the waiting period expired on July 8, 2003.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is July 2003.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Tulelake High School Property, Butte Valley Fair acquisition project, Siskiyou County, on May 2, 2003.

A tour of the 20-acre site was provided by Bill Figgess, Superintendent of Schools. The site, which is situated adjacent to the Butte County Fairgrounds at the southerly edge of the community of Tulelake, is currently in agricultural production, as is the surrounding area. No potential problems with hazardous materials were observed during the site visit, nor was there evidence of potential hazardous materials sites located in the vicinity.

Given the current condition of the subject property, surrounding parcels, and prior land use, ESS staff recommends that a Phase I Site Assessment is not necessary.

The proposed use of the property by the Butte Valley Fair, as well as any future development of the property, would be subject to review under the California Environmental Quality Act.

Other:

- The acquisition of this parcel adjacent to the existing Tulelake Butte Valley Fairgrounds meets the requirements of the 10-A DAA.

- The purchase price does not exceed the estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
 - The site is unimproved and unoccupied. There is no relocation assistance involved with this project.
- There is no implied dedication involved with this project.

Staff Recommendation: Authorize site selection and acquisition consistent with the staff analysis

CONSENT ITEM

CONSENT ITEM – 16

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF FOOD AND AGRICULTURE (8570)
DORRIS AGRICULTURE INSPECTION STATION, BROOKS PROPERTY
SISKIYOU COUNTY

Project Number CDFA 004.1, DGS Parcel Number 10177

Authority: Chapter 52/00 Item 8570-301-0042(1)
Chapter 106/01 Item 8570-301-0042(1)
Chapter 379/02 Item 8570-301-0042(1)

a. Authorize acquisition

b. Approve augmentation

\$64,000
(18.1 percent of appropriation)
(2.3 percent of total project costs)

PULLED.

CONSENT ITEM

STAFF ANALYSIS – 16

Department of Food and Agriculture
Dorris Agricultural Inspection Station, Dorris, Siskiyou County
Relocation: Dorris Agricultural Inspection Station

Action Requested

The requested action will authorize acquisition and approve an augmentation for this project.

Scope Description

This Project is within scope. The Project is to replace the existing Agricultural Inspection Station, which has been displaced by a new freeway project that bi-passes the existing station. The new station will include a 2,002+/- square foot Administration Building, a 3,154+/- square foot Drive-thru Vehicle Inspection Bay structure, and a 4,456+/- square foot Truck Inspection Building. The station will have 4 vehicle lanes and 2 truck lanes. Site work includes crash cushions, guard rails, specialized lighting, and specialized signage, site acquisition has been included. Demolition of existing station is not included. This request will authorize acquisition of fee simple interest of 145.5 acres. The subject property is contiguous to the approximately 25 acre parcel that is the primary location of the new inspection station that was approved for acquisition at the April 25, 2003 State Public Works Board meeting. The project design requires acquisition of this additional unimproved parcel to accommodate acceleration lanes that will merge traffic onto the adjacent State Highway 97. The augmentation for \$64,000 is required to cover the purchase of the land adjacent to the south of the now State owned BLM land, relocation of the access point on the land north of the BLM land, and to escrow and real estate services required to complete the land purchase and access relocation. This land purchase and access relocation is necessary to complete the required site footprint for the relocated Agricultural Inspection Station.

Funding and Cost Verification

This Project is not within cost. Item 8570-301-0042(1), Budget Act of 2000, appropriated \$425,000 from the Capital Outlay State Highway Account for Acquisition, and following a lengthy investigation of four possible sites, a parcel of Bureau of Land Management land was selected and consequently approved by the July 2001 PWB. Item 8570-301-0042(1), Budget Act of 2001, appropriated a combined sum of \$672,000 for Preliminary Plans (\$279,000) and Working Drawings (\$393,000). Due to unanticipated land acquisition requirements and civil design issues the Working Drawing funds of (\$393,000) were reverted and a new appropriation for (\$444,000) was authorized per Item 8570-301-0042(1), Budget Act of 2002. An augmentation of \$64,000 for Preliminary Plans was approved by the July 2002 PWB. An augmentation of \$60,000 for a "test well" was approved by the March 2002 PWB with a subsequent additional augmentation of \$20,000 approved by the December 2002 PWB. The combined total of \$64,000 for the requested augmentation, plus \$80,000 (\$20,000 + \$60,000) for the test well in the Acquisition Phase plus the \$64,000 for the Preliminary Plan Phase is \$208,000, which constitutes an 18.1% cumulative total of the \$1,148,000 (\$425,000 Acquisition, \$279,000 Preliminary Plans, \$444,000 Working Drawings) total appropriations to date. A 20-day letter was sent to the Legislature on June 25th, 2003 and the waiting period expires on July 14th, 2003.

\$7,941,000 Total estimated project costs

\$848,000 Project costs previously allocated: study/acquisition \$505,000; preliminary plans, \$343,000; This includes the \$80,000 Augmentation for test well drilling plus the \$64,000 previous augmentation to the Preliminary Plan Phase funding to cover cost of additional design, engineering and environmental services.

\$64,000 Project costs to be allocated: Augmentation Acquisition Phase funding to cover cost of land purchase and access point relocations necessary to complete the required site footprint for the relocated Agricultural Inspection Station.

\$7,029,000 Project costs to be allocated: working drawings, 444,000; construction \$6,585,000(\$5,468,000 contract + \$273,000 contingency + \$328,600 A&E + \$515,400 other project costs) at CCCI 4019.

CEQA

A Notice of Determination was filed with the State Clearinghouse on January 17, 2003, and the waiting period expired on February 16, 2003.

An Addendum to the Adopted Mitigated Negative Declaration has been approved by the Department of Food and Agriculture, stating that the acquisition of this contiguous property would have no additional environmental impacts, and would not affect the original project approval determination.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is July 2003.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted surveys of the parcel to be acquired as part of the Dorris Agricultural Inspection Station replacement project. These surveys were conducted in conjunction with preparation of the project's environmental document and as part of initial regional surveys for the project. The parcel is entirely in a natural condition; it is uniformly covered with native vegetation with no structures, roads, or visible support/infrastructure improvements. With the possible exception of open range cattle grazing, the parcel has had no developed or non-open space use for over 50 years.

The surveys of the parcel revealed no due diligence issues that would prevent site acquisition. Staff also concluded that a formal Preliminary Site Assessment, Phase I, is not necessary for acquisition based on the following findings: (1) the site is fully undeveloped, and has been in a natural condition for several decades; (2) there are no surface/subsurface improvements on the property that would require inspection and/or environmental assessment; (3) there is no indication of hazardous material use, storage, or disposal on the parcel, and the adjacent lands have no industrial uses; and (4) properties adjacent to the parcel are either unimproved rangeland or a state highway.

Other:

- The State Public Works Board approved this project for site selection on May 6, 2003.
- The proposed site meets the location requirements of the Department of Food and Agriculture (CDFA).
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- There is no implied dedication involved with this project.

Staff Recommendation: Authorize acquisition and approve augmentation contingent upon Legislative approval of the augmentation request.

ACTION ITEM

ACTION ITEM – 17

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA INSTITUTION FOR MEN-CHINO, SAN BERNARDINO COUNTY
Surplus Parcel Number SSL 621

Authority: Section 1 of Chapter 770, Statutes of 2000
Section 14672.14 of the Government Code

a. Consider approval of state surplus property consistent with the staff analysis

APPROVED.

ACTION ITEM

STAFF ANALYSIS – 17

Department of General Services
California Institution for Men-Chino

Action Requested

The requested action will approve the sale of state surplus property consistent with the staff analysis, specific legislation, and the conditional aspects of the staff recommendation.

Project Description

Pursuant to Government Code Section 14672.14 (c) and as authorized by Section 1 of Chapter 770, Statutes of 2000, the Director of the Department of General Services (DGS), with the approval of the State Public Works Board (SPWB), may sell, exchange, lease, or transfer to a private developer, approximately 470 acres of the 710 acres of surplus state property located at the California Institution for Men-Chino in San Bernardino County.

The sale of the 470 acres is contingent upon the City of Chino (City) granting all approvals necessary to rezone the 470 acre development parcel, approving a specific plan or plans for the property, and entering into any development agreements needed for the State to sell the property to the private developer pursuant to the sale agreement. This action will authorize the sale of the 470 acres to a private developer in accordance with the legislative intent.

Associated Costs

All state costs of approximately \$4,810,000.00 associated with the enhancement and sale of the state surplus will be reimbursed from the proceeds for the sale of the 470 acre development parcel. In addition, there will be on-site costs (to be deducted from the purchase price) which include a 2-lane perimeter access road, perimeter sound walls separating the development parcel from the remainder correctional facility property, utility and road realignment and hazardous materials cleanup. These costs are estimated to be \$4,300,000, subject to further engineering work for the improvements and additional site investigation for the hazardous materials.

All closing costs for the 470 acre development parcel will be paid by the Buyer.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is January, 2004.

Other:

- Surplus property legislation allows the state to sell, exchange, lease, or transfer the 470 acre portion of the property to a private developer for residential and commercial-retail use after the property is entitled. DGS has entered into a purchase and sale agreement with a private developer, which requires development entitlements from the City prior to conveyance.
- After the 470 acres are sold with entitlements, Government Code Sections 14672.14 (a) and (b), authorize the state to transfer, at no cost, the remaining surplus property. Subject to SPWB approval a 140 acre portion may be transferred to the City for park and other specified uses and up to 100 acres may be transferred to the Chaffey Community College

District (Chaffey) for a new community college campus.

- The 710 acres have been master-planned to include the 100 acre community college campus, 140 acre regional park and the 470 acre residential development parcel. The framework for the planning and entitlement of the property was established February 20, 2002, through a Memorandum of Understanding (MOU) between the State, the City, the Chino Redevelopment Agency and Chaffey. The MOU provides for the development of up to 2,500 residential units on the 470 acre development parcel.
- Escrow for the sale of the 470 acre parcel will close following certification of the Environmental Impact Report, approval of a General Plan Amendment, approval of the Specific Plan and rezoning, approval of a Development Agreement, approval of a Large Lot Tentative Tract Map, and approval of an amendment to the Redevelopment Plan. These items are related to the buyer's proposed development of the site. These steps cannot proceed until the buyer has approval to purchase the property subject to these conditions.
- The sale of the 470 acres requires the state to clean up the identified prior contamination on the site. The SPWB is also required to terminate its right of entry across the surplus property.

Staff Recommendation: **Approve the sale of state surplus property consistent with the staff analysis and specific legislation, conditioned upon completion of the following:**

- Certification of the Environmental Impact Report for the specific plan;
- City granting all approvals necessary to rezone the 470 acre development parcel, approving a specific plan or plans for the property, and entering into any development agreements needed for the State to sell the property to the private developer pursuant to the sale agreement.
- Termination of the SPWB's right of entry across the surplus property.

ACTION ITEM

ACTION ITEM – 18

**DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
BENBOW LAKE STATE RECREATION AREA, COOMBS PROPERTY
HUMBOLDT COUNTY**

DPR Parcel number A40901, DGS Parcel No. 10182

Authority: Chapter 52/00, Item 3790-301-0005(10)

a. Consider site selection and acquisition

PULLED.

ACTION ITEM

STAFF ANALYSIS – 18

Department of General Services
Department of Parks and Recreation
Benbow Lake State Recreation Area

Action Requested

The requested action is to consider authorizing site selection and acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature approved funding for the acquisition of land from willing sellers that are forested with redwoods or that will enhance the protection or preservation of the redwood forest ecosystem with preference given to projects where matching funding contributions are available. This project provides for the acquisition of one parcel from a non-profit organization, Save-the-Redwoods League, totaling approximately 167 acres located adjacent to Benbow Lake State Recreation Area.

Funding and Cost Verification

This project is within cost. Item 3790-301-0005 (10), Budget Act of 2000, provides \$5,000,000 from the 2000 Bond Redwood Acquisition Program to Department of Parks and Recreation (DPR) for acquisition of redwood properties without specifying particular parcels. The property can be acquired with the funds available and in accordance with Legislative intent.

\$201,222 total estimated project costs

\$2,392 project costs previously allocated: \$2,392 DGS appraisal review costs

\$198,830 project costs to be allocated: \$196,330 for acquisition and \$ 2,500 for estimated closing costs.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 28, 2003, and the waiting period expired on April 4, 2003.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is July 2003.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Benbow Lake, Coombs parcel on March 28, 2002. The acquisition consists of approximately 160 acres of wilderness, i.e., tree covered property. Access was not provided to the property, but viewed from two different vantage points, directly across the canyon and from highway 101. There were no obvious signs of dead trees or active logging. Representatives from Save the Redwood League indicated there are no improvements, e.g., industrial uses, fuel storage, waste disposal, etc., on the property that would raise a concern for migration of hazardous materials. Given the current condition of the subject property and its prior land use, ESS staff recommends that a Phase I Site Assessment is not necessary.

No potential problems with hazardous materials were observed during the site visit and the property is compatible with the proposed future use.

Other

- The seller wishes to convey the property with the following deed restriction: “the property shall be held in trust for public park purposes on behalf of the people of California provided that the owner may grant concessions, franchises, easements and other leases upon said property for purposes that are consistent with the use and preservation thereof for public park purposes.”
- The Department of General Services (DGS) approved an appraisal of the unencumbered property (i.e. no deed restriction). The seller proposes to sell the property to the State for 50% of that approved value, in exchange for the right to restrict the use of the property to park purposes. DGS has determined that this restriction has a significant negative affect on the appraised value, in excess of 50%, because it permanently restricts the rights of the owner to use the property for any other.
- The property is mountainous in general with primarily redwood and Douglas-fir timber stands of approximately 50 years old. There are no structures on the property and relocation assistance will not be necessary.
- Road access to the property is limited by the lack of a deeded right of way to the property, which was taken into account in the appraisal, however, since this property adjoins Benbow Lake State Recreation Area access may be obtained through existing DPR access roads.
- DPR is not aware of any lawsuits pending concerning the property.
- The property acquisition agreement will require delivery of title to the property free and clear title of any mortgages or liens.
- The appraiser discovered an unrecorded relatively new, gravel road on the property and advised the seller to determine who was using the road. No other potential implied dedication was found by the appraiser.
- DPR estimates a need for an additional 3.0 PYs and ongoing costs of \$304,000 for personal services and operating expenses. In addition, DPR further estimates one-time costs of \$ 110,000 for equipment, fencing, gates, and a boundary survey. Until additional funding is provided and pending availability of existing funding, DPR will provide limited resource protection.
- Any request for future staffing, operating and maintenance costs will be considered through the normal budget process.

Significant Issues: The deed restrictions requested by the seller would effectively reduce the value of the parcel to the State by restricting the use consistent to that of a public park. Although the restrictions appear to be consistent with the proposed use to the property, any deed restrictions would limit the State’s options to use the property for other purposes in the future. If this acquisition is approved, it is possible that the proposed use restrictions would prevent this property, or a portion thereof, from being used to serve the greatest public good. While deed restrictions are not typically an issue for lands gifted to the State, this acquisition is not a gift. Therefore, it is unclear why the State should expend funds to purchase property with use restrictions.

Staff Recommendation: Consider authorizing site selection and acquisition.

ACTION ITEM

ACTION ITEM – 19

DEPARTMENT OF GENERAL SERVICES (1760)

DEPARTMENT OF PARKS AND RECREATION (3790)

HUMBOLDT REDWOODS STATE PARK, HUMBOLDT COUNTY

DPR Parcel numbers A38001 through A38007, DGS Parcel Number 10172

Authority: Chapter 52/00, Item 3790-301-0005(10)

a. Consider site selection and acquisition

PULLED.

ACTION ITEM

STAFF ANALYSIS – 19

Department of General Services
Department of Parks and Recreation
Humboldt Redwoods State Park

Action Requested

The requested is to consider site selection and acquisition

Scope Description

This project is within scope. The Legislature approved funding for the acquisition of land from willing sellers that are forested with redwoods or that will enhance the protection or preservation of the redwood forest ecosystem with preference given to projects where matching funding contributions are available. This project provides for the acquisition of seven parcels from the non-profit organization Save-the-Redwoods-League totaling approximately 322 acres ranging in size from 5 acres to 125 acres, all of which are scattered but adjacent to the Humboldt Redwoods State Park. This property is within scope because it contains significant stands of old growth redwoods.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 3790-301-0005 (10) provided \$5,000,000 from the 2000 Bond Redwood Acquisition Program to the Department of Parks and Recreation (DPR) for acquisition of redwood properties without specifying particular parcels. The property can be acquired with the funds available and in accordance with Legislative intent. Below are the anticipated project costs:

\$2,206,877 total estimated project costs

\$12,185 project costs previously allocated: Department of General Services (DGS) staff costs including environmental site visit, appraisal and acquisition review costs

\$2,194,692 project costs to be allocated: \$2,188,692 for acquisition and \$6,000 for estimated closing costs including title and escrow fees

CEQA

A Notice of Exemption was filed with the State Clearinghouse on September 6, 2001, and the waiting period expired on October 11, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is June 2003.

Condition of Property

Department of General Services, Environmental Services Section (ESS), staff conducted surveys of seven non-contiguous properties to be acquired in the Humboldt Redwoods State Park:

Of the initial six properties, two properties consisted of a rural residential sites contiguous to the park that contain some redwood forest habitat at the edges. Both sites have been graded for access homes although the house on one of the properties has been removed. On the property that still contains a home, there are also other minor improvements related to the house but the

house contains no known hazards. The remainder of both of these two sites contain mature and second growth redwood forest. The other four properties are unremarkable and are all to nearly all forested. All have limited access, but are otherwise unimproved. These properties are entirely in natural conditions; they are uniformly covered with native redwood forest vegetation with no structures, roads, or visible support/infrastructure improvements.

The survey of these first six properties revealed no due diligence issues that would prevent site acquisition. Staff also concluded that a formal Preliminary Site Assessment, Phase I, is not necessary for acquisition based on the following findings: (1) while portions of the first two of the sites have been graded for access and the home site, these improvements are acceptable; (2) the remaining four of the sites are fully undeveloped, and have been in a natural condition for several decades; (3) the only structure on the six sites of any significance is one small house that contains no significant hazards; (4) on the four undeveloped sites there are no surface/subsurface improvements except for access roads on the property that would require inspection and/or environmental assessment, (5) there is no indication of hazardous material use, storage, or disposal on any of the six parcels, and the adjacent lands have no industrial uses; and (6) properties adjacent to the subject parcels are either unimproved forest/parkland or rural residential.

The survey of the final property included an extensive walk-over of the reasonably accessible portions of the property, interviews with staff from State Parks in regard to potential future uses, and consultation with the North Coast Regional Water Quality Control Board. The subject property consists of a mix of old growth redwoods and a section of a creek that are in a natural condition; the property also contains sites of former/existing home sites, a small orchard, and limited access roads. The balance of the site is natural, especially on its northerly portion near the Eel River. The site contains no observable industrial improvements, petroleum storage, debris, or similar materials/improvements of typical concern in due diligence investigations. During the site visit some of the residential structures had either just been removed, or are planned for demolition and abatement of very limited amounts of hazardous building materials. The site also shows evidence of debris removal and abatement. The land adjacent to the site includes other redwood and riparian forest, old Highway 1, and a closed sawmill. The survey of the property and subsequent investigation of potential regulatory concerns revealed no due diligence issues or concern for unknown long-term liabilities that would prevent site acquisition. Staff concluded that while the property does have some history of developed uses (limited rural residential) a formal Preliminary Site Assessment, Phase I, is not necessary for acquisition based on the following findings: (1) large portions of the site contain undisturbed old growth

redwood forest and riparian vegetation; (2) there are no surface/subsurface improvements on the property that would require inspection and/or environmental assessment; (3) there is no indication of hazardous material use, storage, or disposal on the property that would warrant a formal site assessment and soil testing; (4) the structures that have been removed already were only wood frame structures with minor amounts of hazardous building materials, which were properly abated; (5) the debris that was already removed is strictly of a residential nature; and (6) any structure that will remain after acquisition will be free of any hazardous materials. ESS staff also found that while the directly adjacent property had been used as a sawmill, the staff of the Regional Water Quality Control Board indicated that site posed no past or ongoing concern for soil or groundwater contamination. ESS staff found that the acquisition of this property is appropriate for various State Park uses, including but not limited to, forest and riparian restoration, day use, river access, and camping.

Other

- The seller would like to place the following deed restriction on the property: "the property shall be held in trust for public park purposes on behalf of the people of California provided that the owner may grant concessions, franchises, easements and other leases upon said property for purposes that are consistent with the use and preservation thereof for public park purposes." DGS has determined that this restriction affects the appraised value

because it permanently restricts the rights of the State to use the property for other purposes. The appraised value with this restriction in place is less than the seller's asking price. The property acquisition agreement will require delivery of title to the property free and clear of any mortgages or liens.

- There are a number of existing title exceptions of record, including agreements for the use of water by other parties from springs on two of the parcels. It does not appear that title exceptions of record will have a significant impact on the State's intended use of the property.
- There are structures on two of the seven parcels under consideration. The Gonzales parcel has a vacant newer house that is in need of roof repairs and inside fixtures. This property also has a concrete water tank. DPR intends to evaluate the tank to see if water from a nearby spring may be accessed and stored for future use. DPR intends to use the structure for Department of Forestry and Fire Protection training. There are several structures on the Daly property, including 10 houses dating back to the early 1900's. All but two houses and a barn have deteriorated to the point that they have no value. DPR intends go through the normal CEQA process for any development of the property after the property is acquired. This process would include a consultation with the State Historical Office of Preservation regarding the preservation of any historically significant structures. No relocation assistance will be necessary.
- DPR is not aware of any lawsuits pending or safety issues concerning the property.
- There is an implied dedication on the Daly parcel regarding public recreational rights, interests and trails that will only minimally impact DPR's use of the property when the State acquires the property.
- DPR estimates a need for an additional four Personnel Year positions (PY's) and ongoing costs of \$417,000 for personal services and operating expenses. Provide ongoing maintenance, respond to information requests, safety and enforcement patrol, and resource protection. DPR further estimates one-time costs of \$99,000 for equipment and a boundary survey. DPR has provided this information as its best estimate of initial support needs. The Department of Finance provides no endorsement of these support estimates, but will evaluate DPR workload and staffing requirements through the normal budget process if an augmentation request is submitted, and within the context of the Administration's overall budget priorities. Nevertheless, Finance would not recommend additional support expenditures if continued revenue forecasts fail to project short-term growth and additional program reductions become necessary. DPR brings this acquisition request forward with the full knowledge that additional support appropriations may not be available. Until additional funding is provided, and pending availability of existing funding, DPR will provide limited resource protection.

Significant Issues: The deed restrictions requested by the seller would effectively reduce the value of the parcel to the State by restricting the use consistent to that of a public park. Although the restrictions appear to be consistent with the proposed use to the property, any deed restrictions would limit the State's options to use the property for other purposes in the future. If this acquisition is approved, it is possible that the proposed use restrictions would prevent this property, or a portion thereof, from being used to serve the greatest public good. While deed restrictions are not typically an issue for lands gifted to the State, this acquisition is not a gift. Therefore, it is unclear why the State should expend funds to purchase property with use restrictions.

In addition, there are unidentified costs associated with fencing off, demolishing, stabilizing or restoring the structures on the Daly property.

Staff Recommendation: Consider authorizing site selection and acquisition.

ACTION ITEM

ACTION ITEM – 20

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
JEDEDIAH SMITH REDWOODS STATE PARK, DEL NORTE COUNTY
DPR Parcel number A40601, DGS Parcel Number 10174

Authority: Chapter 52/00, Item 3790-301-0005(10)

a. Consider site selection and acquisition

PULLED.

ACTION ITEM

STAFF ANALYSIS – 20

Department of General Services
Department of Parks and Recreation
Jedediah Smith Redwoods State Park

Action Requested

The requested is to consider site selection and acquisition

Scope Description

This project is within scope. The Legislature approved funding for the acquisition of land from willing sellers that are forested with redwoods or that will enhance the protection or preservation of the redwood forest ecosystem with preference given to projects where matching funding contributions are available. This project provides for the acquisition of one parcel from non-profit organization Save the Redwood League totaling approximately 546 acres adjacent to the Jedediah Smith Redwoods State Park. This property is within scope because it contains young growth redwood trees.

Funding and Cost Verification

This project is within cost. Chapter 52/00, Item 3790-301-0005 (10) provided \$5,000,000 from the 2000 Bond Redwood Acquisition Program to Department of Parks and Recreation (DPR) for acquisition of redwood properties without specifying particular parcels. The property can be acquired with the funds available and in accordance with Legislative intent. Below are the anticipated project costs:

\$1,007,000 total estimated project costs

\$4,000 project costs previously allocated: DGS appraisal and acquisition review costs

\$1,033,000 project costs to be allocated: \$1,000,000 for acquisition and \$3,000 estimated closing costs

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 28, 2003, and the waiting period expired on April 4, 2003.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is June 2003.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS), staff conducted surveys of the parcel to be acquired in Jedediah State Park. The parcel is entirely in a natural condition; it is uniformly covered with native redwood forest vegetation with no structures, roads, or visible support/infrastructure improvements. The survey of the parcel revealed no due diligence issues that would prevent site acquisition. Staff also concluded that a formal Preliminary Site Assessment, Phase I, is not necessary for acquisition based on the following findings: (1) the site is fully undeveloped, and has been in a natural condition for several decades; (2) there are no surface/subsurface improvements on the property that would require inspection and/or environmental assessment; (3) there is no indication of hazardous material use, storage, or disposal on the parcel, and the adjacent lands have no industrial uses; and (4) properties adjacent to the parcel are either unimproved forest/parkland or rural residential.

Other

- The seller would like to place the following deed restriction on the property: “the property shall be held in trust for public park purposes on behalf of the people of California provided that the owner may grant concessions, franchises, easements and other leases upon said property for purposes that are consistent with the use and preservation thereof for public park purposes.” DGS has determined that this restriction affects the appraised value because it permanently restricts the rights of the State to use the property for other purposes. The appraised value with this restriction in place is less than the seller’s asking price.
- The property acquisition agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved. There is no relocation assistance involved with this project.
- DPR is not aware of any lawsuits pending or safety issues concerning the property.
- There is no implied dedication involved in this project.
- DPR estimates a need for an additional three personnel year positions (PY’s) and ongoing costs of \$273,000 for personal services and operating expenses to provide maintenance, respond to information requests, patrol roads, respond to emergencies, collect fees and lead tours. DPR further estimates one-time costs of \$92,000 for equipment, immediate public use, signs and gates. DPR has provided this information as its best estimate of initial support needs. The Department of Finance provides no endorsement of these support estimates, but will evaluate DPR workload and staffing requirements through the normal budget process if an augmentation request is submitted, and within the context of the Administration’s overall budget priorities. Nevertheless, Finance would not recommend additional support expenditures if continued revenue forecasts fail to project short-term growth and additional program reductions become necessary. DPR brings this acquisition request forward with the full knowledge that additional support appropriations may not be available. Until additional funding is provided, and pending availability of existing funding, DPR has indicated it will provide limited resource protection.

Significant Issues: The deed restrictions requested by the seller would effectively reduce the value of the parcel to the State by restricting the use consistent to that of a public park. Although the restrictions appear to be consistent with the proposed use to the property, any deed restrictions would limit the State’s options to use the property for other purposes in the future. If this acquisition is approved, it is possible that the proposed use restrictions would prevent this property, or a portion thereof, from being used to serve the greatest public good. While deed restrictions are not typically an issue for lands gifted to the State, this acquisition is not a gift. Therefore, it is unclear why the State should expend funds to purchase property with use restrictions.

Staff Recommendation: **Consider authorizing site selection and acquisition.**

ACTION ITEM

ACTION ITEM – 21

CALIFORNIA STATE UNIVERSITY (6610)
FRESNO STATE UNIVERSITY, FRESNO COUNTY
Education Building

Authority: Government Code Section 15809, Section 5.03 and 5.11 of the Indenture by and between the State Public Works Board and the Treasurer of the State of California dated as of April 1, 1992.

- a. Authorize execution of the First Amendment to Site Lease by and between the State Public Works Board and the California State University and the Fourth Amendment to Facility Lease by and between the State Public Works Board and the California State University, for the 1992 Series A Lease Revenue Bonds and the 1996 Series A Refunding Bonds, Various California State University Projects; the 1997 Series A Refunding Bonds, Various California State University Projects; and the 1998 Series C Refunding Bonds, Various California State University Projects.**

APPROVED.

ACTION ITEM

STAFF ANALYSIS – 21

California State University, Fresno
Education Building

Action Requested

The requested action will authorize execution of the First Amendment to Site Lease by and between the State Public Works Board and the California State University and the Fourth Amendment to Facility Lease by and between the State Public Works Board and the California State University, for the 1992 Series A Lease Revenue Bonds and the 1996 Series A Refunding Bonds, Various California State University Projects; the 1997 Series A Refunding Bonds, Various California State University Projects; and the 1998 Series C Refunding Bonds, Various California State University Projects.

Background Information

In 1992, the State Public Works Board ("Board") issued lease revenue bonds (1992 Series A) to finance the construction of the educational facility known as the Education Building on the California State University, Fresno campus. At the time the bonds were issued, the Board entered into a Site Lease and a Facility Lease with the California State University. The Facility lease was amended in the course of refunding bonds in 1996 and 1997, which are insured by AMBAC. It was also amended in the course of refunding the 1998 bonds.

The property described in the Site Lease and the Facility Lease includes the footprint of the existing Education Building and land northeast of it that's currently used as a retention basin in case of flooding. The land is not necessary for the efficient and proper use of the Education building because it is only needed in case of an emergency and its function will be replaced at another location. This land will be included in a future campus project. The sequence of construction will first provide for the construction of the new basin and piping in order to connect the existing drainage/runoff to it and then take the existing basin (Education Building) out of service. Thus, at no time will there ever be any danger of flooding to the Education Building or any portion of the easterly campus due to the deletion of this basin.

The proposed First Amendment to the Site Lease and Fourth Amendment to Facility Lease will delete approximately 5.842 acres that are currently described in the 1992 Series A Site Lease and Facility Lease. A certificate and supporting memorandum is on file from the California State University attesting that the 5.8 acres are not essential for the efficient and proper operation of the facility, as the replacement basin will be surpassed by the existing storm drainage system. Additionally, the removal of the land will not impact the fair rental value of the facility or require an adjustment in the rental payment. Lastly, consent from the bond insurer, AMBAC Assurance Corporation, has been obtained for the 1996 and 1997 Series A Refunding Bonds.

Staff Recommendation: Authorize execution of the First Amendment to Site Lease and the Fourth Amendment to Facility Lease.

OTHER BUSINESS

REPORTABLES

Respectfully Submitted,

JAMES E. TILTON
Administrative Secretary